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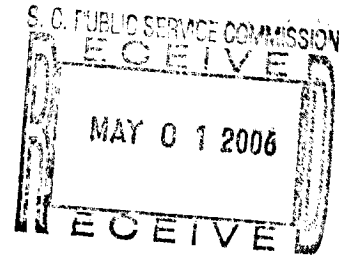
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BRICKFIELD BURCHETTE  
RITTS & STONE, PC

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WASHINGTON, D.C.  
AUSTIN, TEXAS

April 28, 2006



Mr. Charles Terreni  
Chief Clerk  
Public Service Commission of South Carolina  
P.O. Drawer 11649  
Columbia, SC 29211

Re: Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. –  
Annual Review of Base Rates for Fuel Costs.  
Docket No. 2006-1-E

Dear Mr. Terreni:

Enclosed for filing is Nucor Steel-South Carolina's Second Set of Continuing Data Requests to PEC in the above referenced matter. As some of the requests pertain to confidential material provided by PEC, a redacted version is being filed with the Commission and provided to all parties.

Sincerely,

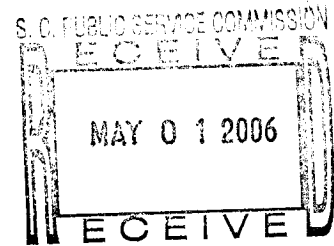
A handwritten signature in cursive script that reads "Garrett A. Stone".

Garrett A. Stone

Enclosure

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2006-1-E**



<b>In the Matter of:</b>	)	
	)	
<b>Carolina Power &amp; Light Company d/b/a</b>	)	<b>NUCOR-STEEL</b>
<b>Progress Energy Carolinas, Inc.</b>	)	<b>SOUTH CAROLINA'S</b>
<b>Annual Review of Base Rates</b>	)	<b>SECOND SET OF</b>
<b>For Fuel Costs</b>	)	<b>CONTINUING DATA REQUESTS</b>
	)	<b>TO PEC</b>

Nucor Steel-South Carolina ("Nucor") hereby propounds the following data requests (interrogatories and requests for production of documents) to Progress Energy Carolinas, Inc. ("PEC") and requests that the information and documents requested below be provided by **May 8, 2006**. These requests are continuing in nature and PEC is requested to provide any information available as of the date of the response and then complete or update the response as necessary as additional information becomes available.

**INSTRUCTIONS**

1. In answering each Request, please state the text of the Request prior to providing the response. Each Request and applicable response should be on a separate page. Where there are subparts to a Request, each subpart and applicable response should be on a separate page. Each Request is continuing in nature. Thus, if PEC acquires or discovers additional or different information with respect to a Request after the Request has been initially answered, PEC is required to supplement its response immediately following the receipt of such additional or different information, giving the additional or different information to the same extent as originally requested. PEC may not postpone serving such responsive supplemental information until after the filing of any testimony or supporting documents in this proceeding. Initial and supplementary responses shall be full, complete and accurate since they will be relied upon by Nucor for the purposes of this proceeding. For each Request, list all assumptions made by PEC in answering said Request.
2. In the event that PEC asserts that any of the information requested is deemed by it to be privileged or proprietary, then PEC in its written response should identify any such data, and any supporting documents, by date and general content. PEC should also identify all persons who participated in the preparation of the document and all persons, inside or outside PEC, who received a copy, read, or examined any such document. In addition, PEC should indicate its claim of privilege with particularity and describe the grounds upon which privilege is claimed. State the present location of the document and all copies thereof and identify each person having custody or control of the document and said copies.

3. To the extent that PEC asserts that any requested information is not relevant or not material to any issue in the above-captioned matter, PEC, in its written response hereto, should indicate a specific basis for said assertion in the context of any issues arising in this proceeding.
4. In the event PEC asserts that any requested information is not available in the form requested, PEC, in its written response thereto, should disclose the following:
  - (a) the form in which the requested data currently exists (identifying documents by title);
  - (b) whether it is possible under any circumstances for PEC to provide the data in the form requested;
  - (c) the procedures or calculation necessary to provide the data in the form requested;
  - (d) the length of time (in hours or days) necessary for PEC to prepare the data in the form requested; and
  - (e) the earliest dates, time period, and location that representatives of Nucor may inspect PEC's files, records or documents in which the requested information currently exists.
5. The Requests contained herein contemplate that individual copies of any documentary material requested will be provided to Nucor as is the usual custom in regulatory proceedings. In the event that PEC asserts that any requested documents are too voluminous, or, for some other reason, copies cannot be provided to Nucor, PEC is requested to make such voluminous or otherwise undeliverable documentary material available for inspection as of the date of the required written responses at such time and place as may be mutually agreed upon among counsel for the parties. PEC is requested to provide notice to Nucor at least two Business Days in advance of the date of the required written responses that it contemplates asserting that any requested documents will be too voluminous to provide Nucor with individual copies, or will otherwise be undeliverable according to PEC. PEC is also requested to provide notice no less than 2 Business Days in advance of the date of required written responses estimating the size and character of any voluminous materials and/or documents, and to provide copying of any noticed materials pursuant to Nucor's designation at Nucor's expense at that time.
6. In providing documents, PEC is requested to furnish all documents or items in its physical possession or custody, as well as those materials under the physical possession, custody or control of any other person acting or purporting to act on behalf of PEC or any of PEC's employees or representatives, whether as an agent, independent contractor, attorney, consultant, witness, or otherwise. If documents responsive to a request existed at one time but have been discarded, lost or destroyed, please describe by category such documents, state the identity of the person having knowledge of the circumstances of their discard, loss or destruction, and state the date on which such documents were discarded, lost or destroyed.
7. To the extent any requested document cannot be provided in full, it shall be provided to the extent possible, with an indication of what document or portion of what document is being withheld and the reasons for withholding said document.
8. Documents are to be produced as they are kept in the usual course of business. To the extent that they are attached to each other, documents should not be separated.

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9. Documents not otherwise responsive to this Request shall be provided if such documents are attached to documents responsive to this Request, and constitute routing slips, transmittal memoranda, letters, comments, evaluations, or similar materials.
10. For each Request answered, provide the name of the person or persons answering, the title of such persons and the name of the witness or witnesses who will be prepared to testify concerning the matters contained in each response or document provided. PEC shall provide all responses under oath.
11. Unless otherwise indicated, the following Requests shall require you to furnish information and tangible materials pertaining to, in existence, or in effect for the whole or any part of the period from January 1, 2004, through and including the date of your response.
12. Where these Requests seek quantitative or computational information (*e.g.*, models, analyses, databases, formulas) stored by PEC or its consultants in machine-readable form, in addition to providing a hard copy, PEC is requested to furnish such machine-readable information on CD-ROM in MS Excel file format.
13. To the extent possible, where these Requests seek non-quantitative narrative information (*e.g.*, studies, reports, memorandum, correspondence) stored by PEC or its consultants in machine readable form, in addition to providing a hard copy, PEC is requested to furnish such machine-readable information on CD-ROM in MS Word format.
14. Responses to any of these Requests may include incorporation by reference to responses to other Requests only under the following circumstances:
  - (a) the reference is explicit and complies with instruction 11; and
  - (b) unless the entirety of the referenced response is to be incorporated, the specific information or documents of the referenced response shall be expressly identified.
15. Nucor requests that PEC send by overnight delivery service (such as Federal Express or a comparable service) one copy of its responses to this Request to each of the following:

Garrett A. Stone  
Brickfield, Burchette, Ritts & Stone, P.C.,  
1025 Thomas Jefferson Street, NW  
Eighth Floor-West Tower  
Washington, DC 20007

Thomas S. Mullikin  
Robert R. Smith II  
Moore & Van Allen, PLLC  
100 North Tryon Street  
Suite 4700  
Charlotte, NC 28202

Responsive information and documents should be provided as they become available and should not be withheld until a complete response to all of Nucor's requests is available.

### **DEFINITIONS**

1. "PEC" refers to Carolina Power & Light d/b/a Progress Energy Carolinas, Inc., its parent(s), subsidiaries, affiliates, predecessors, successors, officers, directors, agents, employees, and other persons acting in its behalf.
2. "PSC" means the South Carolina Public Service Commission.
3. "Nucor" means Nucor Steel-South Carolina.
4. "Historical period" refers to the time period between April 1, 2005 and March 31, 2006.
5. "Forecast period" or "projected period" refers to the time period between April 1, 2006 and June 30, 2007.
6. "Identify" means as follows:
  - (a) when used in reference to an individual, to state his full name and present or last known residence address and telephone number, his present or last known position and business affiliation, and his position and business affiliation at the time in question;
  - (b) when used in reference to a commercial or governmental entity, to state its full name, type of entity (*e.g.*, corporation, partnership, single proprietorship), and its present or last known address;
  - (c) when used in reference to a document, to state the date, author, title, type of document (*e.g.*, letter, memorandum, photograph, tape recording, etc.) and its present or last known location and custodian;
  - (d) when used in reference to a communication, to state the type of communication (*i.e.*, letter, personal conversation, etc.), the date thereof, and the parties thereto and, in the case of a conversation, to state the substance, place, and approximate time thereof, and identity of other persons in the presence of each party thereto; and
  - (e) when used in reference to an act, to state the substance of the act, the date, time, and place of performance, and the identity of the actor and all other persons present.
7. The term "document" as used in the Requests contained herein is used in its customary broad sense, and includes, without limitation, any kind of printed, recorded, written, graphic, or photographic matter and things similar to any of the foregoing, regardless of their author or origin. The term specifically includes reports, studies, statistics, projections, forecasts, decisions and orders, e-mail communications, intra-office and inter-office communications, correspondence, memoranda, financial data, summaries or records of conversations or interviews, statements, returns, diaries, workpapers, graphs, sketches, computer printouts, summaries or reports of investigations or negotiations, opinions or reports of consultants, photographs, brochures, bulletins, pamphlets, books, articles, advertisements, circulars, press releases, graphic records or representations or publications of any kind (including microfilm, videotape and records, however produced or reproduced), electronic, mechanical and electrical records of any kind (including, without limitation, tapes, tape cassettes, disks and records), other data compilations (including, without limitation, input/output files, source codes, object codes, program documentation, computer programs, computer printouts, cards, tapes, disks and recordings used in automated data processing together with the programming instructions and other material necessary to translate, understand or use the same), all drafts, prints,

issues, alterations, modifications, changes and amendments to the foregoing, and all other documents or tangible things of whatever description that constitute or contain information within the scope of a Request that are in the possession of PEC. A Request seeking the identification or production of documents addressing, relating or referring to, or discussing a specified matter encompasses documents having a factual, contextual, or logical nexus to the matter, as well as documents making explicit or implicit reference thereto in the body of the documents. Originals and duplicates of the same document need not be separately identified or provided; however, drafts of a document or documents differing from one another by initials, interlineations, notations, erasures, file stamps, and the like shall be deemed to be distinct documents requiring separate identification or production.

8. "Communication" shall mean any transmission of information by oral, graphic, written, pictorial, or otherwise perceptible means, including, but not limited to, telephone conversations, letters, telegrams, e-mail and personal conversations. A Request seeking the identity of a communication addressing, relating or referring to, or discussing a specified matter encompasses documents having factual, contextual, or logical nexus to the matter, as well as communications in which explicit or implicit reference is made to the matter in the course of the communication.
9. The "substance" of a communication or act includes the essence, purport or meaning of the same, as well as the exact words or actions involved.
10. Words expressing the singular number shall be deemed to express the plural number; those expressing the masculine gender shall be deemed to express the feminine and neuter genders; those expressing the past tense shall be deemed to express the present tense; and vice versa.
11. The unqualified terms "or" and "and" shall be construed either conjunctively or disjunctively to bring within the scope of these Requests any matters that might otherwise be construed to be outside their scope.
12. The unqualified term "person" shall mean an individual, corporation, partnership, unincorporated association or other business or governmental entity.
13. The term "e.g." or "for example" indicates illustration by example, not limitation.

**QUESTIONS**

- NUC-2-1 Referring to the South Carolina Office of Regulatory Staff Electric & Gas Department January 31, 2006 “Study of South Carolina Electric & Gas Company Fuel Expenses”:
- (a) Please describe in detail the factors that PEC believes explain why PEC’s average coal freight cost is 27% higher than SCE&G’s.
  - (b) Please describe in detail the factors that PEC believes explain why PEC’s total cost per ton for delivered coal is higher than SCE&G’s or Duke Power’s.
  - (c) Identify and provide all related documents.
- NUC-2-2 Has PEC experienced coal deliverability problems with any coal transportation provider (railroad or otherwise) since April 1, 2005? If so:
- (a) Provide any quantification of the additional costs incurred by PEC as a result of the deliverability problems.
  - (b) Describe any and all legal remedies pursued by PEC in order to recover compensation for the costs incurred by PEC as a result of these deliverability problems.
- NUC-2-3 Please describe all programs and actions taken by PEC in order to reduce electricity demand on the PEC system during periods of high electricity costs to PEC or high wholesale electricity prices. Provide estimates of the costs and benefits (e.g., cost savings) associated with these programs or actions.
- NUC-2-4 Please explain in detail the \$412,794 “Accounting Adjustment” appearing on PEC’s Fuel Report for August 2005 and the \$5,378,318 “Accounting Adjustment” appearing on PEC’s Fuel Report for May 2005. Identify and provide all related documents.
- NUC-2-5 Regarding Progress Energy’s synfuel production activities:
- (a) Please describe the purpose of the snfuel production activities owned by PEC or its affiliates .
  - (b) Are any facilities that provide electricity to SC retail customers involved in any aspect of synfuel production (including providing any raw material or coal waste for this production)?
  - (c) If the answer to subpart (b) is yes, please identify those facilities and explain the role of these facilities in producing synfuel.
  - (d) If the answer to subpart (b) is yes, indicate whether any compensation is provided to PEC and whether such compensation is reflected in the fuel costs in this case.
  - (e) Provide the value of all synfuel-related tax credits received by Progress Energy (including any affiliate) by year since 2004.

- (f) Provide a projection of all synfuel-related tax credits that Progress Energy expects to receive in 2006, 2007, and 2008.
- (g) Please describe Progress Energy's proposed use of these tax credits.
- (h) Does PEC propose to use any synfuel tax credits to offset any fuel expenses that it seeks to recover through this proceeding?
- (i) For any sale of synfuels by Progress Energy or its affiliates, please provide the revenues and profits associated with each sale. Identify the party purchasing the synfuels.
- (j) Does PEC propose to use any revenues or profits from the sale of synfuels by Progress or any of its affiliates to reduce PEC's fuel expenses in this proceeding?
- (k) Identify and provide all related documents.

NUC-2-6      PEC's Fuel Reports report "Sales to Other Companies." For example, the January 2006 report identifies \$16,632,906.97 in Sales to Other Companies.

- (a) Please explain in detail and describe the purpose of these sales.
- (b) Are these sales of fuel or electricity?
- (c) If these are sales of fuel:
  - i. Please identify (for each month since April 1, 2005) the purchaser(s) of these fossil fuels, the reason for the sale, the revenues associated with the sale, and the profits associated with each sale.
  - ii. Please identify each sale of fossil fuel that resulted in a loss for PEC, identify the amount of loss, and explain why the sale was made at a loss.

NUC-2-7      Referring to PEC's response to NUC-1-5, please identify the contract price of coal from HNR prior to its bankruptcy, and contract price of coal from HNR following renegotiations, the market price of coal at the time that the original contract was signed, and the market price of coal at the time the contract was renegotiated.

NUC-2-8      Referring to PEC's response to NUC-1-19 "Natural Gas Response":

- (a) Are any natural gas storage costs included in the fuel expenses reported by PEC since April 1, 2005?
- (b) Are any natural gas storage costs included in the fuel costs which PEC seeks to recover in this proceeding?
- (c) In what account are these costs booked?
- (d) If the answer to (a) or (b) is yes: (1) please describe these storage costs; (2) explain in detail why these costs are included; (3) provide monthly costs since April 1, 2005 and projected costs for through June 2007.
- (e) Please provide PEC's contract with East Tennessee Pipeline.

NUC-2-9      If the Commission orders PEC to answer NUC-1-30:



- (a) Please confirm that in response to NUC-1-30 (b) PEC has provided only those sales to RTP customers which are above the customer's baseline load (CBL) and are subject to the hourly RTP rates. If PEC has provided total sales of electricity to RTP customers, please separately identify the portion of the sales which are above CBL quantities.
- (b) Please describe PEC's policies and practices concerning the establishment of baseline load patterns or CBLs for RTP customers. How are the CBLs established?
- (c) For each PEC customer served under an RTP tariff, please provide the total annual sales (under all tariffs) to the customer in 2005 and the total sales to the customer through the RTP tariff. There is no need to disclose the actual identity of the customer.

NUC-2-10 Referring to the response to NUC-1-33:

- (a) Explain in detail how this settlement affected PEC's fuel costs subject to review in this docket and how it has been treated for purposes of determining recoverable fuel costs.
- (b) Has this settlement payment been reflected in any way in PEC's fuel costs? Explain the answer in detail.
- (c) Was the \$47 million in outstanding charges owed to NS reflected in any way in PEC's fuel costs? Explain the answer in detail.
- (d) Identify and provide all related documents.
- (e) Provide a copy of the settlement agreement.
- (f) Explain in detail why and provide all information showing the settlement was a reasonable one (including any internal assessments of the settlement).
- (g) What was the effect of the settlement on rail rates under the new 5 year contract? Was this contract part of the settlement?

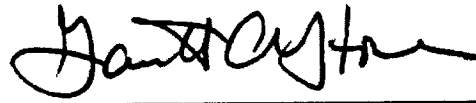
NUC-2-11 Referring to the response to NUC-1-39:

- (a) Explain in detail the expected effect of the installation of scrubbers at various PEC plants on PEC's cost of fuel to be recovered through the fuel factor (including the effect on the cost of coal and purchases of emission allowances).
- (b) Quantify the expected impact of the installation of scrubbers at Asheville on the utilization of emission allowances during the fuel review period (including the projected period).
- (c) Quantify the expected impact of the installation of scrubbers at Asheville on the utilization of lower cost, higher sulfur fuel and/or any other fuel cost impact during the fuel review period (including the projected period)
- (d) Explain the timing of and schedule for scrubber installation at PEC's plants (e.g., why the specific operation dates were chosen).
- (e) Identify and provide all related documents.

REDACTED VERSION

- NUC-2-12 Please identify and quantify all fuel costs related to its fossil fuel generation that PEC proposes to recover in this docket that are not listed under Account 151 (other than emissions allowances), if any. Please provide a listing of all types of costs included by PEC in Account 151.
- NUC-2-13 Please provide:
- (a) the percentage of the generation (historical and projected) to be acquired from cogeneration purchases which is generated using natural gas.
  - (b) the percentage of purchased power (historical and projected) which is generated using natural gas.
  - (c) PEC's marginal cost of fuel for each hour during the period April 2005 – March 2006.
  - (d) PEC's projected marginal cost of fuel for each hour during the period April 2006 – June 2007.
- NUC-2-14 REDACTED
- NUC-2-15 REDACTED
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- NUC-2-19 REDACTED
- NUC-2-20 REDACTED
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